

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 1999-367-C - ORDER NO. 1999-904
DECEMBER 28, 1999

IN RE: Application of Phone-Link, Incorporated to) ORDER ✓
 Provide Local Exchange Telecommunications) GRANTING
 Services within the State of South Carolina.) CERTIFICATE

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Phone-Link, Incorporated (“Phone-Link” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold local exchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1998) and the Regulations of the Commission.

By letter, the Commission’s Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Phone-Link complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition (“SCTC”). Counsel for SCTC filed with the Commission a Stipulation in which Phone-Link

stipulated that it would seek authority only in non-rural local exchange (“LEC”) service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent’s service area, unless and until the Company provided written notice of its intent prior to the date of the intended service. Phone-Link also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. Phone-Link agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on December 9, 1999, at 10:30 a.m., in the Commission’s Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. Phone-Link was not represented by counsel. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Annette Lee, Vice President of Phone-Link, appeared and testified in support of the Application. As Vice President of the Company, Ms. Lee is responsible for day-to-day operations and growth of the Company. Phone-Link has been in existence since August 1997. General Finance, Incorporated is the parent company of Phone-Link. Upon certification from this Commission, Phone-Link will offer non-rural South Carolina customers prepaid local service, optional service features, directory listing service and access 911 service. The Company does not plan to offer operator services; according to Ms. Lee, operator services will be provided by the incumbent local exchange carrier. If optional features are available in a customer’s area,

Phone-Link will provide the following optional features: call waiting, call forwarding, three-way calling, unpublished number, speed dial, call return, and caller I.D. with name.

According to Ms. Lee, Phone-Link will provide resold and facilities-based prepaid local telecommunications services to non-rural residential customers. The Company has entered into an interconnection agreement with BellSouth; Phone-Link will also have interconnection agreements with GTE and Sprint upon approval of the agreements by the South Carolina Public Service Commission.

The managerial staff of Phone Link consists of Mr. Dennis Landgraf , Mr. Santiago Santa Cruz , and Ms. Lee. The testimony reveals Mr. Landgraf and Mr. Santa Cruz operated businesses of their own for ten to twenty years prior to joining Phone-Link. Ms. Lee has approximately ten years of office management experience in collections, customer service, and financial institutions.

According to the record, as of January 25, 1999, Phone-Link's total current assets were \$17,780.59 and its total current liabilities were \$80,388.91. Ms. Lee testified that if the Company had to pay its current liabilities immediately, the Company would rely on its shareholders who have letters of credit. Further, Ms. Lee testified that Phone-Link does not have to rely on its parent company at this time for financial assistance.

Phone-Link will market its services through retailers such as CVS Pharmacy and Revco. If a retailer wants Phone-Link to train the retailer's employees concerning the Company's services, then Phone-Link will train the employees via telephone or in person. The Company does not plan to use telemarketing to market its services in South Carolina.

Ms. Lee also testified that Phone-Link is currently certified to provide its services in Florida, Indiana, Kentucky, Tennessee, New York, New Jersey, Alabama, and Wisconsin. The Company is currently seeking certification in Georgia and North Carolina. Phone-Link began providing services in Kentucky and Tennessee in 1997. In 1999, the Company began providing services in Florida, Indiana, and Alabama. The Company is currently operating in good standing in all the states where it is providing telecommunications services.

Additionally, Ms. Lee requested that the Company be permitted to maintain its records in LaGrange, Kentucky as opposed to South Carolina. Ms. Lee also stated that Phone-Link will make its records available to anyone designated by the Commission and Phone-Link will pay out-of-pocket expenses related to the Commission Staff's travel to review the records. The Company will also contract with the necessary incumbent local exchange carrier (ILEC) for the names and addresses of Phone-Link's customers to appear in the ILEC's telephone directory.

The Company's customer service department, which currently employs eleven employees, is located in LaGrange, Kentucky. The department's hours are 8:00 a.m. to 7:00 p.m. eastern standard time from Monday through Friday. On Saturday, the department is open from 10:00 a.m. to 2:00 p.m. and the office is closed on Sundays. According to Ms. Lee, Phone-Link does have a twenty-four hour answering service every day of the week. Messages are responded to the next business day and Ms. Lee is on call at all times. Phone-Link will also operate its own billing services and the Company's name and customer service department's telephone number will appear on the bill. Ms. Aimee Allgeier is the contact person for regulatory issues and financial information on Phone-Link. Finally, Ms. Lee testified that if this

Commission grants Phone-Link a Certificate of Public Convenience and Necessity, it will abide by all the rules and regulations of the Commission.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. The Commission finds Phone-Link is organized as a corporation under the laws of the State of Kentucky and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. The Commission finds Phone-Link has the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280 (B)(1) (Supp. 1998).

3. The Commission finds Phone-Link will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1998).

4. The Commission finds that Phone-Link's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1998).

5. The Commission finds that Phone-Link will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280 (B)(4) (Supp. 1998).

6. The Commission finds that the provision of local exchange service by Phone-Link "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280 (B)(5) (Supp. 1998).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Phone-Link to provide competitive intrastate local exchange services in the non-rural local exchange areas of South Carolina. The terms of the Stipulation between Phone-Link and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

2. Phone-Link shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters.

3. Phone-Link shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs. In addition, Phone-Link shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Phone-Link shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, Phone-Link shall promptly notify the Commission in writing if the representatives are replaced.

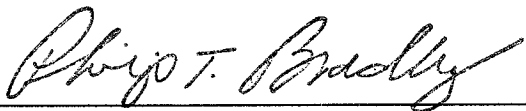
4. Phone-Link is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. Phone-Link shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a “Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Phone-Link to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this order and prior to providing services within South Carolina, Phone-Link, shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

7. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

**If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).**

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 1999-367-C

Re: Application of Phone-Link, Inc. for a)
Certificate of Public Convenience and)
Necessity to Provide Resold and Facilities-)
Based Local Exchange Telecommunications)
Services in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Phone-Link, Inc. ("Phone-Link") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to Phone-Link's Application. SCTC and Phone-Link stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Phone-Link, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Phone-Link stipulates and agrees that any Certificate which may be granted will authorize Phone-Link to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Phone-Link stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Phone-Link stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Phone-Link provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Phone-Link acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Phone-Link stipulates and agrees that if Phone-Link gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then Phone-Link will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Phone-Link acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.


7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Phone-Link agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Phone-Link hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

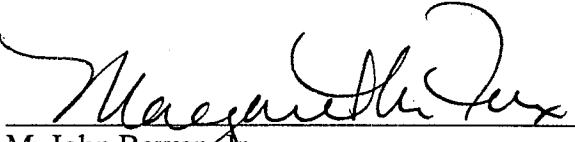
AGREED AND STIPULATED to this 1st day of November, 1999.

Phone-Link, Inc.:


Jeffrey W. Short, Esquire
Hall, Render, Killian, Heath & Lyman, P.S.C.
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Indianapolis, Indiana 46282

Attorneys for Phone-Link, Inc.

South Carolina Telephone Coalition:


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Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
(803) 799-9800

Attorneys for the South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

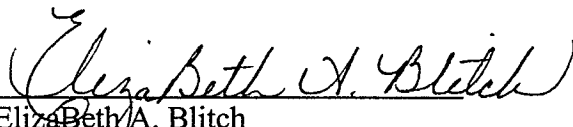
Docket No. 1999-367-C

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Services in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Jeffrey W. Short, Esquire
Hall, Render, Killian, Heath & Lyman, P.S.C.
One American Square
Suite 2000
Indianapolis, Indiana 46282.


ElizaBeth A. Blitch
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Columbia, South Carolina 29211
(803) 799-9800

November 2, 1999

Columbia, South Carolina